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# The Aluminum Situation

## DEPARTMENT OF ECONOMICS AND STATISTICS MAY 1989

### INDUSTRY SHIPMENTS INCREASE 5.4%

Total industry net shipments for three months of 1989, reported at 4,199 million pounds, were up 5.4 percent from the three month 1988 total of 3,982 million pounds.

Domestic shipments of 3,677 million pounds increased 0.2 percent from the three month 1988 total of 3,671 million pounds.

Exports of ingot and mill products of 521 million pounds jumped 67.7 percent from three months of 1988. Imports decreased 9.5 percent for the same period.

MARCH 1989

| | 1989 3 Mos. | 1988 3 Mos. | % Change |
|---|---|---|---|
| Mill Products | 3,439 | 3,299 | 4.2 |
| Ingot | 760 | 683 | 11.2 |
| Total | 4,199 | 3,982 | 5.4 |
| Less Exports | 521 | 311 | 67.7 |
| Domestic Total | 3,677 | 3,671 | 0.2 |

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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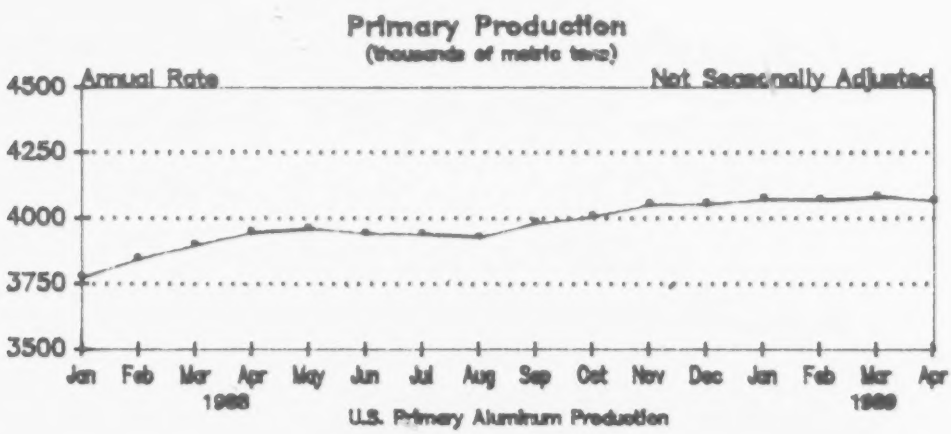
### PRIMARY PRODUCTION DAILY RATE AVERAGES 11,138 METRIC TONS

U.S. primary aluminum production averaged 11,138 metric tons daily during April 1989. This compares with an average of 10,788 metric tons a day in April 1988 and 11,186 metric tons a day in March 1989. The annual rate of production in April 1989 was 4,065,504 metric tons compared with 3,948,249 metric tons in April 1988 and 4,082,878 metric tons in March 1989. Actual production in April 1989 was 334,151 metric tons.




This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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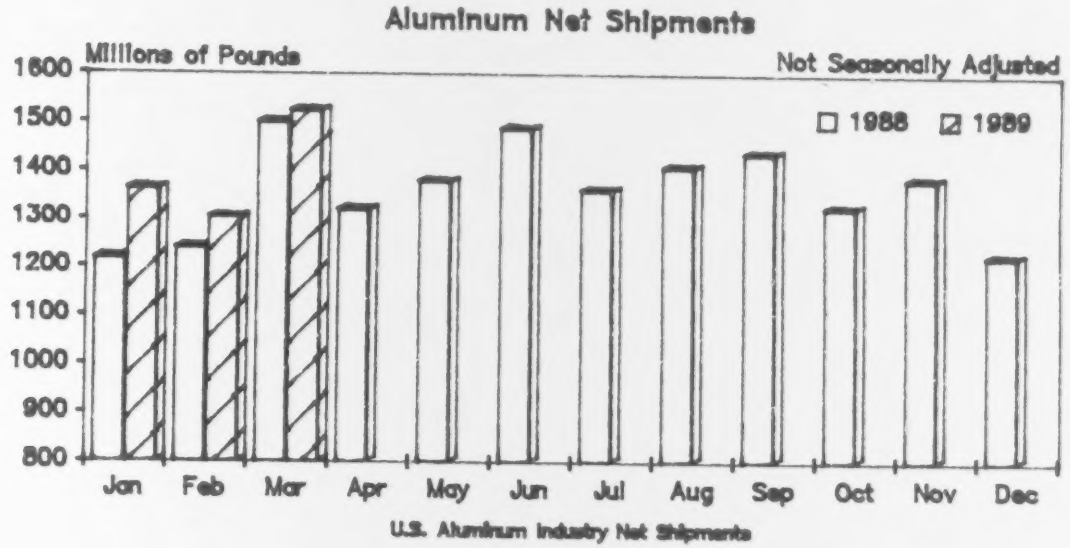
## INDUSTRY NET SHIPMENTS INCREASE 5.4 PERCENT

Total industry net shipments for three months of 1989, reported at 4,199 million pounds, were up 5.4 percent from the three month 1988 total of 3,982 million pounds. Domestic shipments of 3,677 million pounds increased 0.2 percent from the three month 1988 total of 3,671 million pounds.

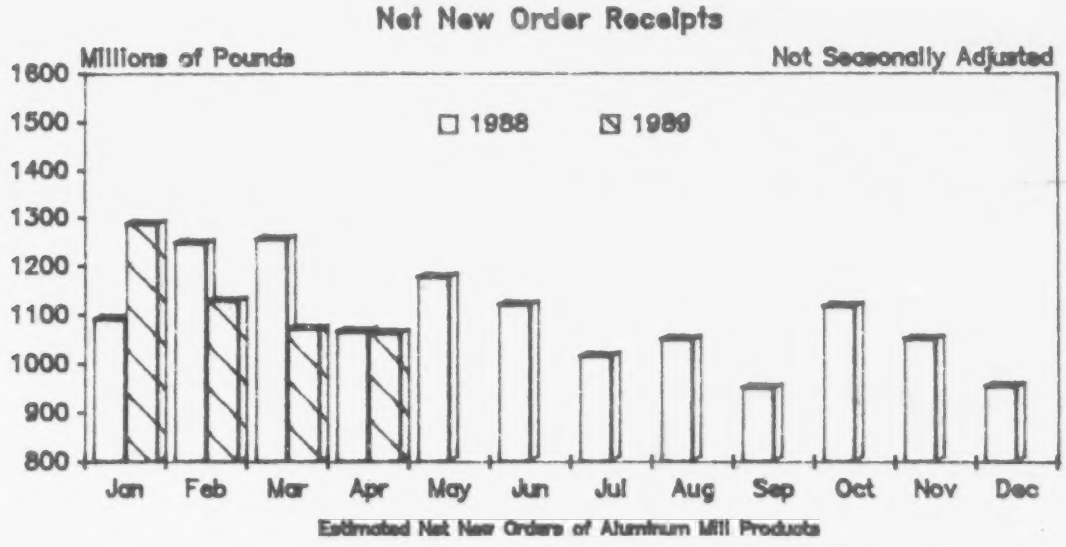



| NET SHIPMENTS (Millions of Pounds) | 1989 March | 1988 March | 1989 3 Mos. | 1988 3 Mos. | % Change 1989 vs 1988 |
|---|---|---|---|---|---|
| Sheet | 741.5 | 656.9 | 1,921.7 | 1,724.3 | 11.4 |
| Plate | 28.6 | 26.2 | 81.1 | 72.1 | 12.5 |
| Foil | 79.0 | 90.1 | 230.2 | 246.6 | -6.6 |
| Rod,Bar & Wire | 19.3 | 23.5 | 58.4 | 85.4 | -31.7 |
| Elec. Conductor | 63.7 | 65.3 | 176.7 | 167.6 | 5.4 |
| Extruded Shapes,Tube | 238.1 | 250.7 | 670.9 | 675.6 | -0.7 |
| Powder & Paste | 8.3 | 7.6 | 21.8 | 20.0 | 8.8 |
| Forgings & Impacts | 13.7 | 16.5 | 40.9 | 45.9 | -10.9 |
| Net Imports of Mill Products (Total) (a) | 80.1 | 104.5 | 237.0 | 260.9 | -9.2 |
| Total Mill Products | 1,272.3 | 1,241.3 | 3,438.6 | 3,298.6 | 4.2 |
| Ingot | 254.2e | 260.3 | 760.0 | 683.5 | 11.2 |
| TOTAL INDUSTRY SHIPMENTS | 1,526.5 | 1,501.6 | 4,198.7 | 3,982.0 | 5.4 |
| Exports | 190.8 | 123.3 | 521.4 | 310.8 | 67.7 |
| TOTAL DOMESTIC SHIPMENTS | 1,335.7 | 1,378.3 | 3,677.3 | 3,671.2 | 0.2 |

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.
(e) Estimated by the Aluminum Association

## NET NEW ORDER RECEIPTS FALL 2.4 PERCENT

Estimated net new order receipts of aluminum mill products for four months of 1989, totaling 4,554 million pounds, dropped 2.4 percent from a four month 1988 total of 4,664 million pounds. April order receipts of 1,064 million pounds decreased 0.9 percent from a revised March 1989 figure of 1,073 million pounds.




| ORDER RECEIPTS (Millions of Pounds) | 1989 April | 1988 April | 1989 4 Mos. | 1988 4 Mos. | % Change 1989 vs 1988 |
|---|---|---|---|---|---|
| Sheet & Plate, Other | 342.0 | 394.0 | 1,599.3 | 1,627.4 | -1.7 |
| Can Stock (a) | 386.3 | 263.4 | 1,396.0 | 1,373.4 | 1.6 |
| Foil | 67.3 | 84.7 | 325.6 | 361.1 | -9.8 |
| Bar, Rod & Wire | 31.3 | 36.9 | 146.2 | 153.3 | -4.6 |
| Electrical Conductor | 54.0 | 58.7 | 280.4 | 274.3 | 2.2 |
| Extruded Shapes & Tube | 152.4 | 206.0 | 711.4 | 790.9 | -10.1 |
| Powder & Paste | 14.2 | 8.1 | 41.6 | 31.2 | 33.3 |
| Forgings & Impacts | 16.0 | 15.3 | 53.8 | 52.5 | 2.5 |
| Total Mill Products | 1,063.5 | 1,067.1 | 4,554.3 | 4,664.1 | -2.4 |

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

## PRODUCER INVENTORIES DECREASE 22 MILLION POUNDS

Producer inventories decreased in March 1989 to an reported total of 4,141 million pounds. This represents an 22 million pound decline from the revised February 1989 level of 4,163 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

| | Total | Ingot | Scrap | All Other |
|---|---|---|---|---|
| January | 4,189 | 1,451 | 550 | 2,188 |
| February | 4,163r | 1,441r | 532r | 2,190r |
| March | 4,141 | 1,504 | 513 | 2,124 |

Source: Bureau of the Census, U.S. Department of Commerce.

## CUSTOMER INVENTORIES REPORTED AT 35.8 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of March 31, 1989 was 35.8, up 0.8 percent from inventories reported at the end of February 1989.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

| | |
|---|---|
| January | 34.8 |
| February | 35.5 |
| March | 35.8 |

Source: Aluminum Association - Customer Inventory Position Survey

| U.S. IMPORTS & EXPORTS (Millions of Pounds) | | 1989* March | 1988 March | 1989* 3 Mos. | 1988 3 Mos. | % Change 1989 vs 1988 |
|---|---|---|---|---|---|---|
| Imports | Mill Products | 83.5 | 110.2 | 243.4 | 270.9 | -10.2 |
| | Ingot | 184.5 | 230.1 | 577.6 | 655.1 | -11.8 |
| | Total | 268.0 | 340.3 | 820.9 | 926.1 | -11.4 |
| | Scrap (+ dross) | 41.7 | 47.7 | 118.3 | 111.8 | 5.7 |
| | Grand Total | 309.6 | 388.0 | 939.2 | 1,037.9 | -9.5 |
| Exports | Mill Products | 101.9 | 79.8 | 262.7 | 196.4 | 33.8 |
| | Ingot | 89.0 | 43.5 | 258.7 | 114.5 | 126.0 |
| | Total | 190.8 | 123.3 | 521.4 | 310.8 | 67.7 |
| | Scrap | 109.6 | 67.9 | 335.5 | 175.2 | 91.5 |
| | Grand Total | 300.4 | 191.2 | 856.8 | 486.0 | 76.3 |
| Net Imports | | 9.2 | 196.8 | 82.4 | 551.9 | -85.1 |

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989